



Cathedral

# Strategic Merger of Cathedral Bitcoin Inc. and Kungsleden Inc.

**Infrastructure for the Digital Economy**

INVESTOR PRESENTATION ■ 20 JUNE 2024 ■ BLOCK HEIGHT: 848,785



## FORWARD LOOKING STATEMENTS

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materially and adversely affect our business; our ability to manage working capital; and our dependence on key personnel. Cathedra is an early stage company with a short operating history; and it may not actually achieve its plans, projections, or expectations. Important factors that could cause actual results to differ materially from Cathedra's expectations include, deliberations and potential power rate increases by the public utility regulators in the jurisdictions in which we operate which could limit the ability of the company to carry on business on a profitable basis or at all, consumer sentiment towards Cathedra's products and blockchain technology generally, litigation, global economic climate, equipment failures, increase in operating costs, decrease in the price of bitcoin, security threats including a loss/theft of Cathedra's bitcoin, government regulations, loss of key employees and consultants, additional funding requirements, changes in laws, technology failures, competition, and failure of counter-parties to perform their contractual obligations. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Neither we nor any of our representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this presentation. Neither we nor any of our representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to you or any person resulting from the use of the information in this presentation by you or any of your representatives or for omissions from the information in this presentation.

## FINANCIAL INFORMATION

All financial information included in this document is unaudited. There is a material risk that the audited financial results will differ significantly from the unaudited financial information presented herein. This document also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about prospective results of operations, future net revenue, share capital, cash flows, and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was made as of the date of this document and was provided for the purpose of providing information about management's current expectations and plans relating to the future. Cathedra disclaims any intention or obligation to update or revise any forward looking statements or FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities law. Readers are cautioned that the forward looking statements and FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. The forward-looking statements and FOFI contained in this document are expressly qualified by this cautionary statement. Certain information contained herein is based on, or derived from, information provided by independent third-party sources. Cathedra believes that such information is accurate and that the sources from which it has been obtained are reliable. Cathedra cannot guarantee the accuracy of such information, however, and has not independently verified the assumptions on which such information is based. Cathedra does not assume any responsibility for the accuracy or completeness of such information.



# Overview of Proposed Transaction

Proposed transaction <sup>1</sup>	<ul style="list-style-type: none"><li>▶ Cathedra Bitcoin Inc. ("Cathedra") and Kungsleden, Inc. ("Kungsleden"), to combine in an all-stock merger transaction</li><li>▶ Cathedra to issue stock to Kungsleden shareholders to acquire 100% of issued and outstanding Kungsleden shares</li><li>▶ Combined company is expected to maintain its Canadian listing on TSX-V and expects to cross-list on a major U.S. stock exchange imminently upon closing</li></ul>
Exchange ratio	<ul style="list-style-type: none"><li>▶ Equivalent of 625 shares of Cathedra common stock per Kungsleden common share</li><li>▶ Pro forma non-diluted ownership: 27.5% Cathedra shareholders, 72.5% Kungsleden shareholders</li></ul>
Key approvals	<ul style="list-style-type: none"><li>▶ Approval of the transaction by Cathedra shareholders</li><li>▶ Receipt of all regulatory and TSX-V approvals</li></ul>
Timing	<ul style="list-style-type: none"><li>▶ Expected to close in Q3 2024</li></ul>

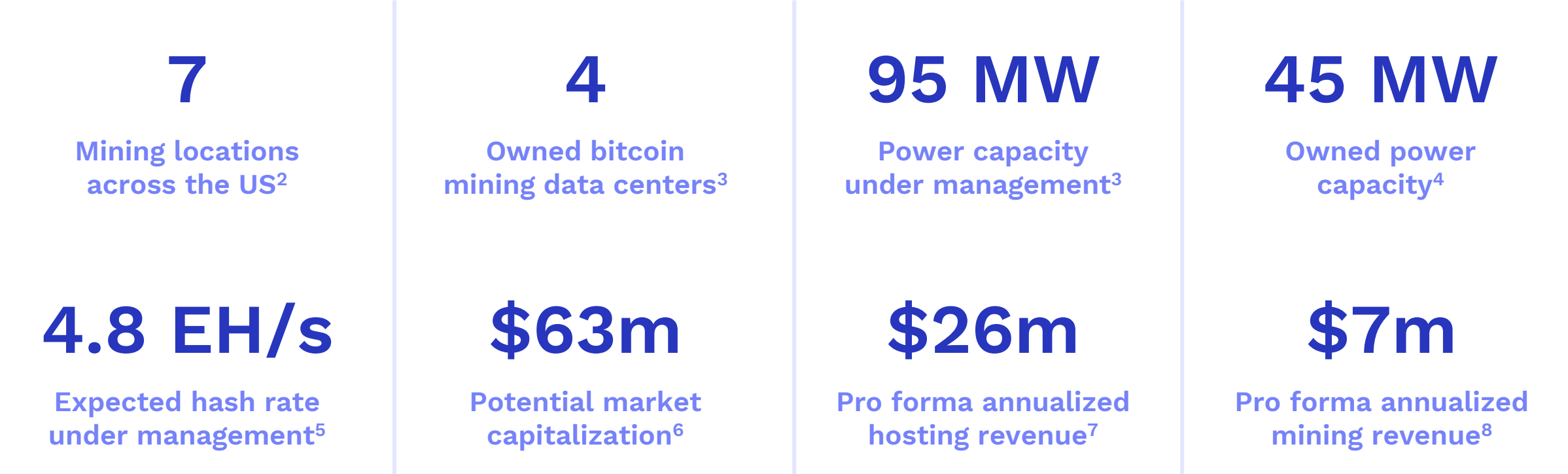
Note: <sup>1</sup> The completion of the proposed transaction is subject to a number of risks and uncertainties, including shareholder and TSX Venture Exchange approval and there is no guarantee that it will be completed.



# Creating a Leading Developer and Operator of Infrastructure for the Bitcoin-Centered Digital Economy

Combined company would create a scaled, vertically integrated, and diversified public bitcoin mining company, with expected<sup>1</sup>:

(Figures in USD, unless otherwise noted)



Notes: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited; <sup>1</sup> Figures are estimated as of June 18, 2024; <sup>2</sup> Includes two data centers leased by Cathedra, one third-party data center which hosts Cathedra machines, three completed and operating data centers owned by Kungsliden, and one 60-MW data center under construction of which Kungsliden owns 25% (15 MW); <sup>3</sup> Includes total power capacity at two Washington data centers leased by Cathedra (5 MW total), three completed and operating data centers owned by Kungsliden (30 MW total), and one 60-MW data center under construction in North Dakota for which Kungsliden is acting as developer and operator for the full capacity; <sup>4</sup> Represents Kungsliden owned data center capacity that is currently completed (30 MW) or under development (15 MW); <sup>5</sup> Includes third-party hash rate hosted at completed Kungsliden-owned data centers (1.1 EH/s), expected third-party hash rate at one Kungsliden-managed data center under construction in North Dakota (3.3 EH/s), and proprietary Cathedra hash rate (0.4 EH/s); <sup>6</sup> Combined company's implied market capitalization estimate is based on the value of Cathedra's shares on the TSX Venture Exchange as of the last trading day prior to the date of the announcement of the proposed transaction and the value of Kungsliden's outstanding shares implied by the exchange ratio; <sup>7</sup> Expected pro forma annualized hosting revenue is based on existing agreements with hosting clients and expected revenue from Kungsliden's under-construction 15-MW of capacity in North Dakota using the blended average contracted hosting rate of \$74.17/MWh and 95% uptime across all sites; <sup>8</sup> Expected pro forma annualized mining revenue is based on current Cathedra hash rate of 355 PH/s, bitcoin price of \$65,000, network hash rate of 600 EH/s, transaction fees equal to 8% of block reward.



# Cathedral Bitcoin is Merging with Kungsleden Inc., a Leading Developer of Bitcoin Mining Infrastructure



Year founded	▶ 2017	▶ 2022 <sup>1</sup>
Ownership	▶ Canadian public corporation (TSX-V: CBIT; OTCQB: CBTTF)	▶ Privately held Delaware corporation
Team members	▶ 5	▶ 5
Headquarters	▶ Vancouver, British Columbia, Canada	▶ Tennessee, United States
Asset base	<div>▶ 4,500 bitcoin mining machines (S19J Pro and S19 XP) capable of producing 0.5 EH/s</div> <div>▶ 5 MW of undeployed modular bitcoin mining data centers</div>	<div>▶ 30 MW of bitcoin mining hosting capacity across 3 data centers in 2 states; 1.1 EH/s of third-party hash rate under management</div> <div>▶ 25% managing interest in 60-MW hosting data center under development, implying 15 MW of owned hosting capacity, 60 MW of managed capacity, and expected 3.3 EH/s under management<sup>2</sup></div>

Note: All financial information is unaudited; <sup>1</sup> Predecessor entities were founded in 2022 and Kungsleden Inc. was founded in 2023; <sup>2</sup> Kungsleden is a 25% JV partner in a 60-MW data center under development in North Dakota, expected to be completed in phases between March and June 2024. Kungsleden's 25% interest translates to 15 MW of owned power capacity, but Kungsleden is developing and will manage the full 60 MW of power capacity and an expected 3.3 EH/s of third-party hash rate at the site.



# Transaction Rationale

Thesis Point	Expected Impact
Brings a proven, repeatable growth model within bitcoin mining hosting which offers compelling unit economics and return characteristics	▶ Accelerating growth brings the potential to reach scale to compete with large-cap public bitcoin miners, with low-cost development model and growth pipeline
Diversifies Cathedra's existing asset base, revenue profile, and geographic footprint	▶ Kungsleden's fixed-margin hosting revenue provides downside protection, while Cathedra's proprietary hash rate preserves exposure to bitcoin mining upside
Fortifies Cathedra's balance sheet with Kungsleden's asset base and debt-free capital structure	▶ Ability to withstand potentially challenging mining conditions following the 2024 Halving and more easily manage existing debt
Provides line-of-sight into large and growing HPC market for AI	▶ Prospect of further business diversification into potentially lucrative markets that offer additional uncorrelated revenue streams
Meaningfully enhances Cathedra's existing scale with addition of Kungsleden's portfolio of assets	▶ Potential to explore a US listing to raise the profile of the combined company and more readily access US capital markets
Strengthens executive leadership and board of directors without contributing unnecessary bloat	▶ Adds the right people and skillsets to lead the next phase of Cathedra's growth without jeopardizing operational efficiency

Note: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited.



# Combined Company Boasts a Diversified Operating Footprint: 7 Total Locations Across 4 U.S. States

**Washington:** 161 PH/s of proprietary hash rate (2,078 S19J Pros) at two leased data centers

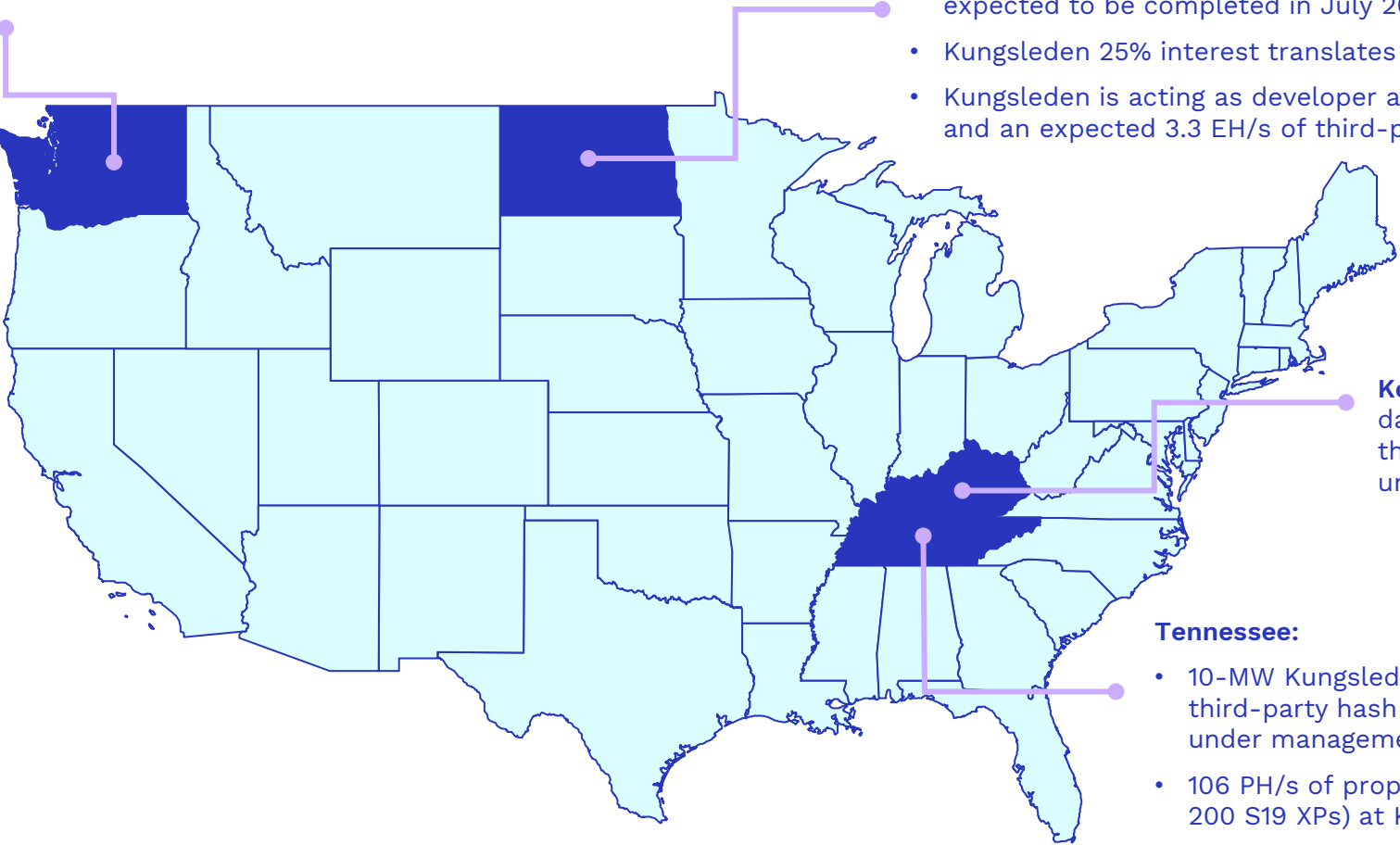
**North Dakota:**

- 60-MW data center under development in which Kungsleden is a 25% JV partner, expected to be completed in July 2024 (10 MW currently online)
- Kungsleden 25% interest translates to 15 MW of owned power capacity
- Kungsleden is acting as developer and operator for the full 60 MW of power capacity and an expected 3.3 EH/s of third-party hash rate (~3,000 S19 XPs, ~14,000 S21s)

**Kentucky:** Two 10-MW Kungsleden data centers with total 860 PH/s of third-party hash rate (6,104 S19 XPs) under management

**Tennessee:**

- 10-MW Kungsleden data center with 276 PH/s of third-party hash rate (1,543 S19J Pros, 300 S19 XPs) under management
- 106 PH/s of proprietary hash rate (957 S19J Pros, 200 S19 XPs) at Kungsleden data center
- 88 PH/s of proprietary hash rate (1,129 S19J Pros) hosted at third-party data center



# Kungsleden Portfolio Brings New Assets, Capabilities, and Geographies

Combined company expects to manage 4.8 EH/s of total hash rate and 95 MW of total power capacity

	Kentucky 1	Kentucky 2	North Dakota <sup>1</sup>	Tennessee 1 <sup>2</sup>	Tennessee 2	Legacy Wash.	New Wash.
Structure	Owned	Owned	Owned <sup>1</sup>	Owned	Hosted	Leased	Leased
Hosting	✓	✓	✓	✓	–	–	–
Proprietary Mining	–	–	–	✓	✓	✓	✓
Owned Power Capacity	10 MW	10 MW	15 MW	10 MW	–	–	–
Managed Power Capacity	10 MW	10 MW	60 MW	10 MW	–	2 MW <sup>3</sup>	3 MW <sup>3</sup>
Third-Party Managed Hash Rate	430 PH/s	430 PH/s	3,287 PH/s	276 PH/s	–	–	–
Proprietary Hash Rate	–	–	–	106 PH/s	88 PH/s	76 PH/s	85 PH/s

<sup>1</sup>Kungsleden is a 25% JV partner in a 60-MW data center under development in North Dakota, expected to be completed in phases between March and June 2024. Kungsleden’s 25% interest translates to 15 MW of owned power capacity, but Kungsleden is developing and will manage the full 60 MW of power capacity and an expected 3.3 EH/s of third-party hash rate at the site; <sup>2</sup> 3 MW of total 10-MW Tennessee 1 site is occupied by existing Cathedra machines; <sup>3</sup> Includes two sites in Washington that are leased by Cathedra, including rights to additional 500kW at New Washington site.

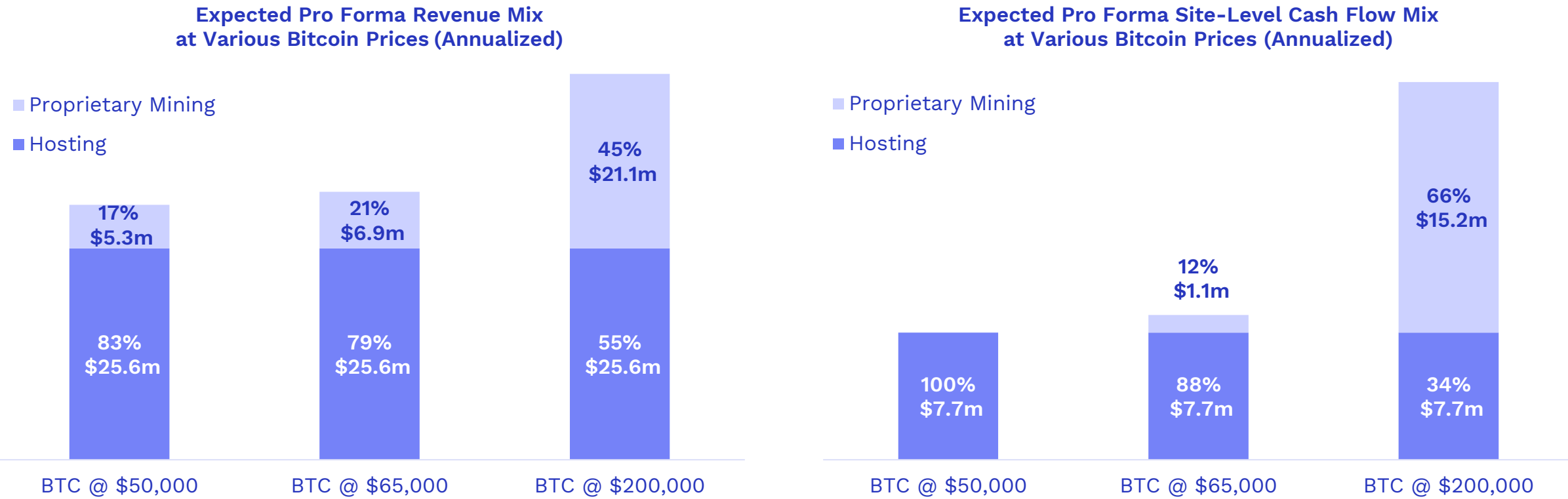




# Historically Stable Hosting Revenue Expected to Complement Existing Volatile, High-Upside Mining Revenue

Kungsleden’s comparatively stable hosting margins expected to provide downside protection following 2024 Halving

(Figures in USD, unless otherwise noted)



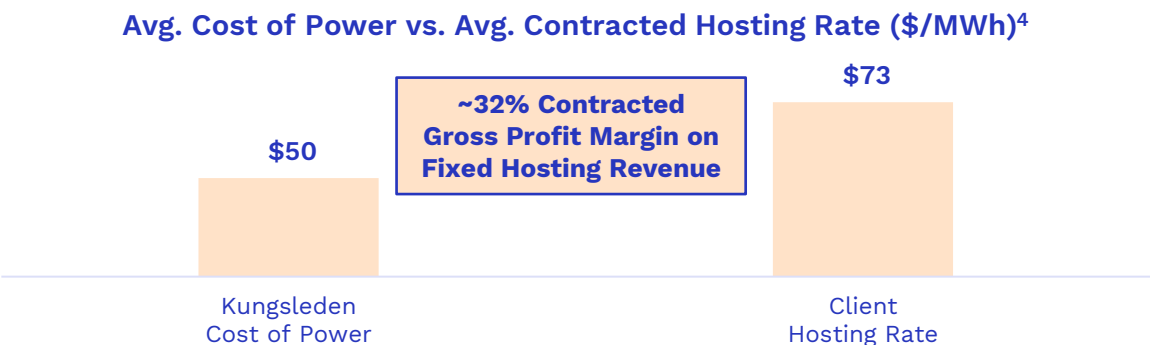
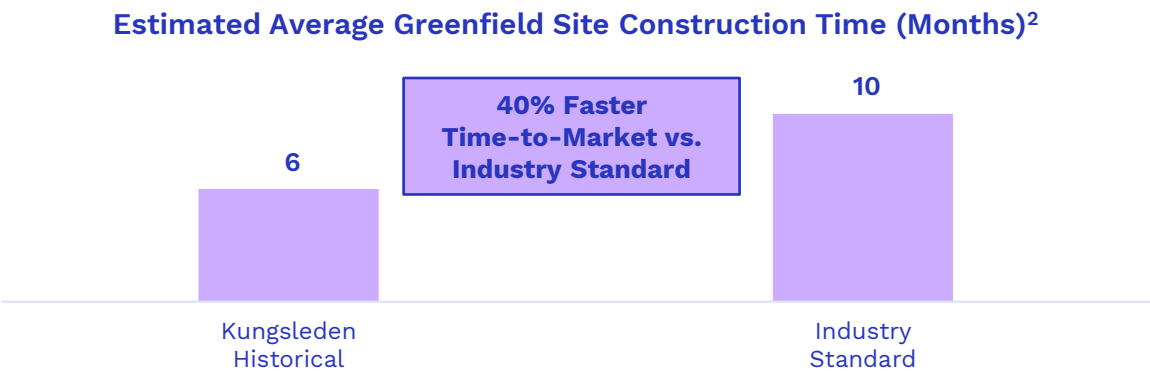
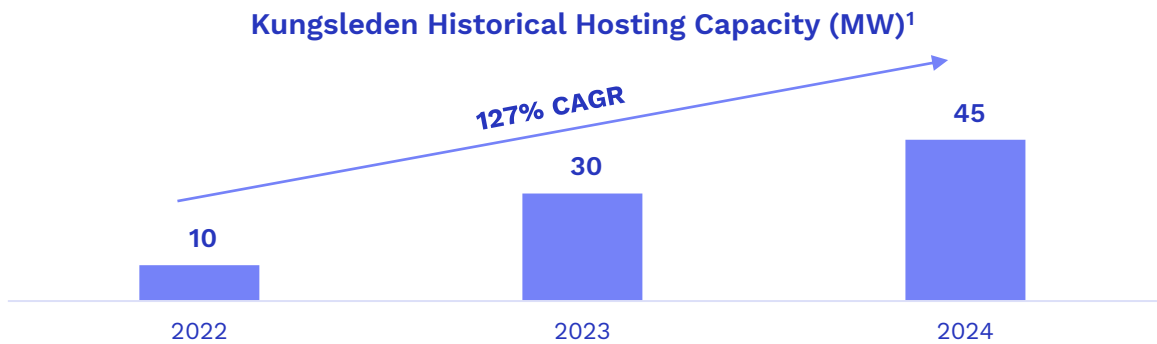
Note: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited. Analysis assumes Cathedra hash rate of 355 PH/s, network hash rate of 600 EH/s, transaction fees equal to 8% of current block reward. Expected pro forma hosting site-level cash flow is equal to hosting revenue minus power expense. Expected pro forma proprietary mining site-level cash flow is equal to bitcoin mining revenue minus direct cash mining costs, including pool fees, lease payments, hosting fees, and revenue shares. Expected pro forma hosting revenue and site-level cash flow include 42 MW of hosting capacity from Kungsleden (including Kungsleden’s 25% minority interest in a 60-MW data center in North Dakota, which is currently under development) assuming Kungsleden’s existing blended average rate of \$73.14/MWh, expected run-rate power cost of \$50.00/MWh, maintenance expenses of \$10,000 per MW per year, and 95% uptime. Expected pro forma hosting site-level cash flow is equal to expected pro forma hosting revenue less expected pro forma power and maintenance expenses. Expected pro forma proprietary mining revenue and site-level cash flow includes 355 PH/s of installed proprietary mining hash rate from Cathedra under existing lease, hosting, and revenue share agreements and assuming 100% uptime.



# Kungsleden’s Proven, Repeatable Development Model Expected to Bring New Growth Trajectory

Accelerating growth with compelling unit economics and return characteristics shows a capital-efficient path to scale

(Figures in USD, unless otherwise noted)



Notes: The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited; <sup>1</sup> 2024 includes Kungsleden’s 25% minority interest in a 60-MW data center under construction in North Dakota, of which 10 MW is already live and the remaining 50 MW is expected to be completed in July 2024; <sup>2</sup> Industry standard greenfield site construction time represents an estimate according to industry research; <sup>3</sup> Kungsleden construction cost represents a blended average based on realized construction costs for Kungsleden’s completed 30 MW in Kentucky and Tennessee and estimated construction costs for its 60-MW North Dakota data center under construction. Completed fair market value per MW is based on Marathon Digital’s \$179m acquisition of a 390-MW portfolio of bitcoin mining sites from Generate Capital, announced in December 2023; <sup>4</sup> Kungsleden cost of power represents a blended average of PPAs across Kungsleden’s portfolio of four sites; Kungsleden client hosting rate represents a blended average of contracted hosting rates at Kungsleden’s sites (including North Dakota, which has been fully contracted).



# Illustrative Bitcoin Mining Hosting Model

Kungsleden develops data centers, then provides electricity and ancillary services to bitcoin miners at a fixed margin above cost

(Figures in USD, unless otherwise noted)



<sup>1</sup> Kungsleden’s expected run-rate power cost is equal to approximately \$50/MWh across its 45-MW portfolio; <sup>2</sup> Kungsleden’s blended average contracted hosting rate is equal to approximately \$73.14/MWh across its 45-MW portfolio.



# Illustrative Kungsleden Bitcoin Mining Hosting Site Unit Economics

Kungsleden's development model offers quick recovery of capital and compelling cash yields

(Figures in USD, unless otherwise noted)

Expected development cost per MW <sup>1</sup>	\$170,000
Estimated FMV per MW <sup>2</sup>	458,000
<i>Development premium/(discount) to estimated FMV (%)</i>	(63%)
Annual revenue per MW @ \$73.14/MWh <sup>3</sup>	\$608,671
Less: Annual power expense per MW @ \$50.00/MWh <sup>4</sup>	(416,100)
Annual site-level operating cash flow per MW	\$192,571
<i>Site-level operating cash flow margin (%)</i>	32%
Less: Annual maintenance capex per MW <sup>5</sup>	(10,000)
Annual site-level cash flow per MW	\$182,571
<i>Site-level cash flow margin (%)</i> <sup>5</sup>	30%
<b>Implied payback period (years)</b>	<b>0.93</b>
<b>Implied cash flow yield (%)</b>	<b>107%</b>

## Commentary

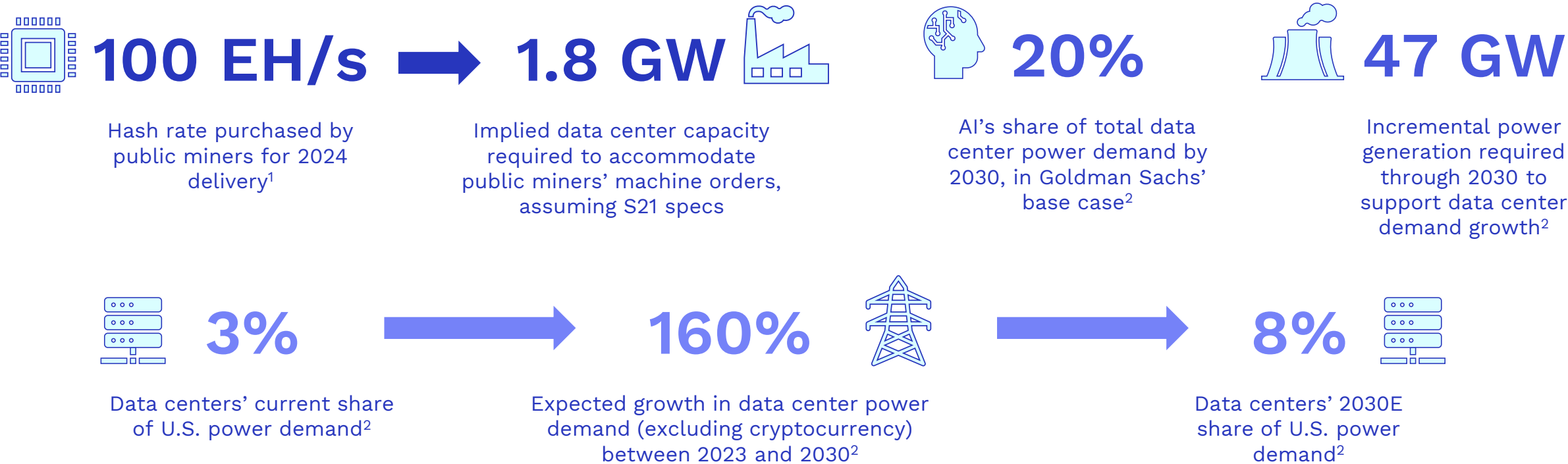
- 1 Blended average of realized construction costs for completed 30 MW in KY/TN and estimated construction costs for 25% stake in 60-MW ND site (\$250k/MW) (under development)
- 2 Estimated fair market value of \$458k/MW based on Marathon Digital's \$179m acquisition of a 390-MW portfolio of bitcoin mining sites from Generate Capital, closed in January 2024
- 3 Average contracted hosting rate of approximately \$73/MWh across Kungsleden's 45-MW portfolio. Assumes 95% uptime
- 4 Expected run-rate electricity cost of approximately \$50/MWh across Kungsleden's 45-MW portfolio. Assumes 95% uptime
- 5 Minimal maintenance capex associated with Kungsleden sites after development is completed
- 6 Fixed-rate revenue and power costs have historically produced stable margins that can be reliably forecast

Notes: The above site-level cash flow calculation excludes applicable taxes, which may vary based on location and a number of other factors. The above represents the reasonable expectations of management and is subject to a number of risks and uncertainties. There is no guarantee that such results will be achieved. All financial information is unaudited.



# Demand for High-Density Compute Infrastructure Is Booming

Robust growth in demand for data center capacity from bitcoin and AI is expected through 2030



**Growing compute demand means ASIC/GPU owners are paying premiums for data center “rackspace”**

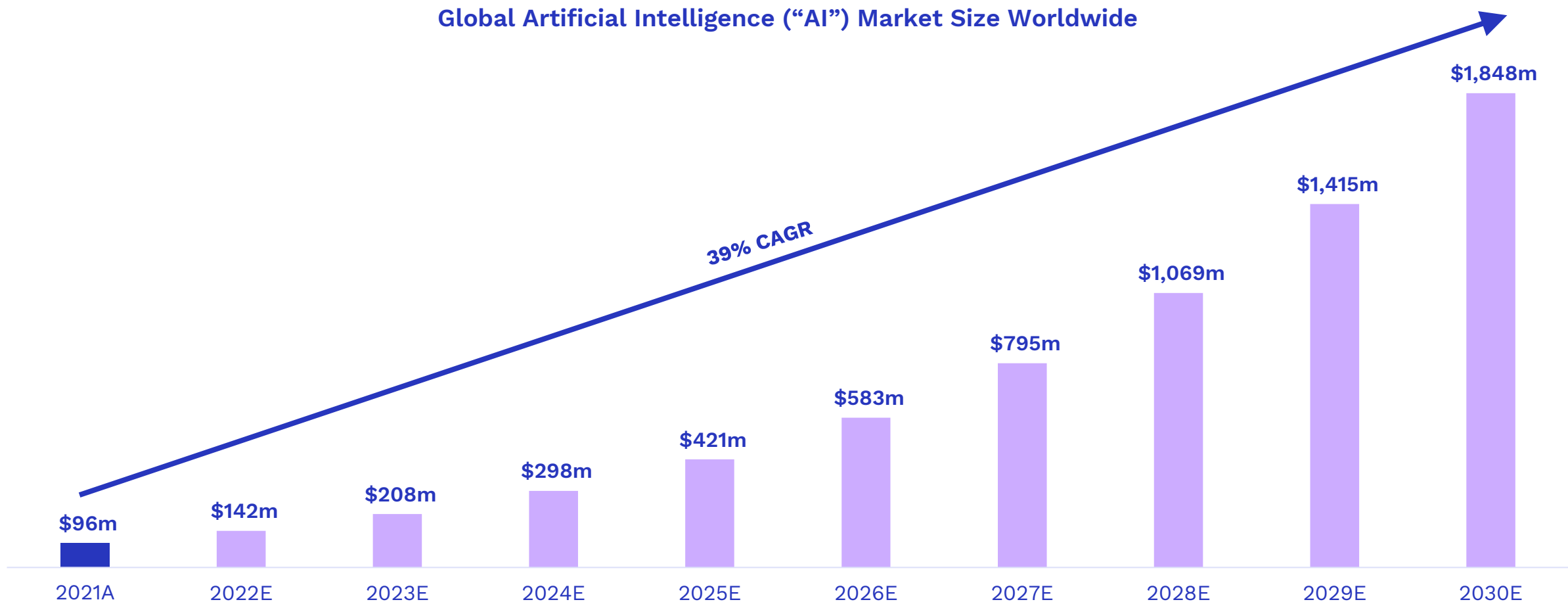
<sup>1</sup>Source: Brandon Bailey  
<sup>2</sup>Source: Goldman Sachs' "Generational growth: AI, data centers and the coming US power demand surge" research report, April 2024



# Opportunity to Apply Low-Cost Development Model to Large and Growing HPC Market for AI

High-performance compute (“HPC”) for AI applications offers potential lucrative revenue stream uncorrelated to hosting and bitcoin mining

(Figures in USD, unless otherwise noted)

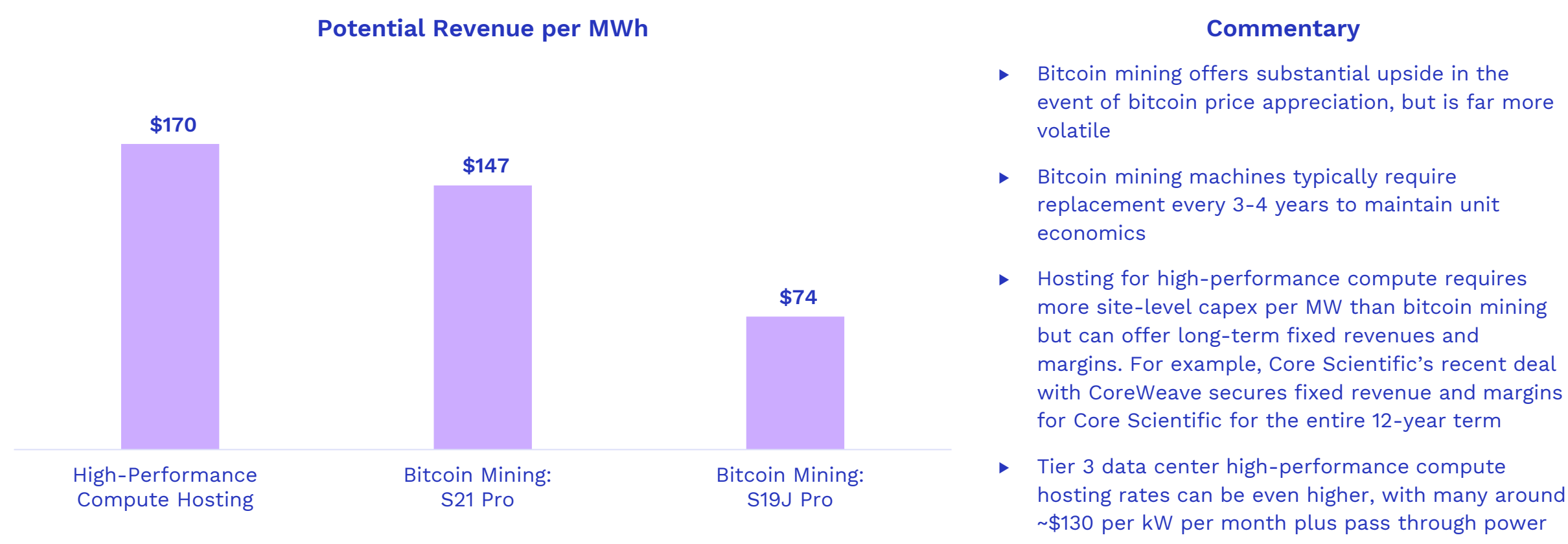


Source: Next Move Strategy Consulting report, January 2023.



# AI Market Offers Compelling Unit Economics

High-performance compute offers greater revenue per unit of power consumed with greater stability and is uncorrelated to bitcoin price



Note: High-performance compute revenue is based on Core Scientific deal with CoreWeave for 200 MW expected to generate \$3.5bn of revenue over 12 years, announced in June 2024. Bitcoin mining revenue is based on hash price of \$53/PH/s/d.



# Strengthened Leadership Team to Lead Next Phase of Growth

Cathedra and Kungsleden combine complementary skillsets while maintaining low corporate headcount (10 employees)



**Drew Armstrong**

PRESIDENT

- Founding member of the bitcoin mining business at Galaxy Digital
- Prior experience in investment banking and principal investing at Galaxy Digital
- Began his career in investment banking at Barclays



**AJ Scalia**

CHIEF EXECUTIVE  
OFFICER

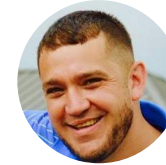
- Founding member of the bitcoin mining business at Galaxy Digital
- Prior experience in investment banking and principal investing at Galaxy Digital
- Began his career in technology investment banking at J.P. Morgan



**Gavin Qu**

CHAIRMAN

- Investor in and co-founder of Kungsleden predecessor entities in 2022
- Investor in and operator of 200+ megawatts of bitcoin mining capacity
- Began his career in Goldman Sachs' sales and trading division



**Tom Masiero**

DIRECTOR

- Co-founded and grew Kungsleden to 90 MW of capacity under management
- Co-founder and COO of Great American Mining (acquired by Crusoe Energy in 2022)
- Served as Cathedra's Head of Business Development in 2022, deploying 4,000+ latest generation Bitmain machines



**Inar Kamaletdinov**

CHIEF FINANCIAL  
OFFICER

- Years of experience in the Canadian capital markets as a finance executive across a range of high-growth sectors
- Co-founder and Partner at Imperium Consulting, a firm providing corporate accounting services



**Isaac Fithian**

CHIEF FIELD  
OPERATIONS OFFICER

- Founding member of Great American Mining, a bitcoin mining company focused on off-grid operations
- Deep technical and operational bitcoin mining experience across data center development and operations



**Rete Browning**

CHIEF TECHNOLOGY  
OFFICER

- Founding member of Great American Mining, where he served as Principal Engineer
- Trained as a chemical and petroleum engineer and as a technology and energy analyst

Note: Proposed leadership team above is subject to final approvals





# Proposed Combined Company Board of Directors



**Gavin Qu**  
CHAIRMAN



**Tom Masiero**  
DIRECTOR



**Drew Armstrong**  
DIRECTOR



**AJ Scalia**  
DIRECTOR



**David Jaques**  
INDEPENDENT  
DIRECTOR



**Marcus Dent**  
INDEPENDENT  
DIRECTOR



**Matt Kita**  
INDEPENDENT  
DIRECTOR





**Thank You**

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